NOTIFICATION.

No. R. 2557, dated 10th December 1901.

In exercise of the power conferred by Section 194 of the Mysore Land Revenue Code, Regulation IV of 1888, the Government of Mysore are pleased to make the following rules as to advances to be made for purposes connected with agricultural objects other than those specified in the Land Improvement Loans Regulation, 1890 :—

Objects for which loans may be granted.

I. Loans of the amounts specified hereunder may be granted to holders of land for the following objects :—

Object	Maximum amount which may be granted
(i) For the purchase of seed-grain or ploughing cattle or the rebuilding of houses (including sheds) destroyed by fire or flood	Rs. 500
(ii) For other agricultural objects, such as purchase of fodder for domestic and agricultural cattle; erection of sugar-cane mills, indigo vats and such like appliances for dealing with raw agricultural produce; erection of double mhotes or other contrivances for raising water; and the building of houses (including sheds) by cultivators in tracts newly made available for occupation and cultivation ...	Rs. 1,000
(iii) For the relief of distress, when the existence of such distress has been recognized by Government, to enable holders of land and their dependants to subsist until the ripening of the next harvest ...	Rs. 200

Officers by whom loans may be granted, and the maximum amounts admissible.

II. Assistant Commissioners in charge of taluks, (including Sub-Division Officers), and Deputy Commissioners shall be competent to sanction loans not exceeding the sums specified below :—

	Rs.
Assistant Commissioners in charge of taluks (including Sub-Division Officers)	100
Deputy Commissioners	500

Loans of sums exceeding Rs. 500 shall be sanctioned by the Government.

Explanation.—An officer is not precluded by this rule from granting several loans to the same individual, although the aggregate amount thereof may exceed the maximum prescribed. Such loans shall, however, be for distinct purposes and be covered by separate and independent security.

Rate of interest.

III. The rate of interest charged shall be 5 per cent. per annum, except on loans granted for the relief of distress, which shall be charged interest at 3 per cent., the Deputy Commissioner having the discretion to remit the charge in case of borrowers who are known to be poor.

The Government may, if they see fit, grant loans in special cases at reduced interest or without interest.

IV. Interest shall accrue from the date of disbursement of the loan. If the loan is disbursed in instalments, interest on each instalment shall run from the date of the disbursement of such instalment.

Period allowed for repayment and method of recovery.

V. Loans shall be repayable by equal instalments discharging both principal and interest.

The time allowed for repayment of the loans and the amount of instalments shall be fixed by the Deputy Commissioner (or other officer granting the loan) with reference to the convenience of the borrower and the circumstances of the case, regard being had to the probable durability of the works, contrivances, &c., proposed to be

constructed, and the value or sufficiency of the security tendered, but so as not to exceed the maximum limits specified below :—

(i)	if for the purchase of seed	...	...	1 year.
(ii)	if for the relief of distress	...	...	3 years.
(iii)	if for any other purpose	...	...	10 years.

The time for repayment specified above shall count from the date of the payment of the loan, or, where the loan is paid by instalments, from the date of payment of the last instalment.

The time allowed for repayment is liable to revision under Rule XIX.

Provided that nothing in this rule shall be taken to preclude a borrower from discharging the loan at an earlier period by payment of a larger amount than the annual instalment. The excess so paid shall be credited at once in reduction of principal, and the number of future instalments shall, if necessary, be decreased, but no alteration in the amount of subsequent instalments shall be allowed, nor shall postponement of payment of subsequent instalments be permitted.

VI. The date for payment of each annual instalment shall be fixed so as to coincide with the date of one of the land revenue khists of the taluk ; but the first repayment of principal and interest shall not be demanded within less than 12 months and shall not be put off for more than 24 months from the date of disbursement of the first instalment of the loan. When commencement of repayment is thus postponed for more than 12 months, simple interest shall be realized in the interim as the khist date selected comes round. The first payment of interest will be for the broken period between the date of disbursement of the loan (or of each instalment thereof) and such khist date.

If in any special case the sanctioning authority considers that the work for which the loan is given is such that a longer time than 24 months must elapse before it begins to yield a return, a longer interval, not exceeding five years, may be allowed. In the case of loans granted by Assistant Commissioners (including Sub-Division Officers), the sanction of their Deputy Commissioners shall be obtained for such extension. In every case, however, the amount of the annual instalment shall be fixed so as to repay the whole loan with interest within the maximum period from the date of disbursement of the last instalment of the loan shown in Rule V.

VII. Repayment may be made either at the Treasury of the taluk or to the village officers of the village in which the loan is to be utilised. The Deputy Commissioner may, if he sees fit, authorise repayment at any other Government Treasury.

VIII. Interest at $6\frac{1}{4}$ per cent. will be charged on all instalments of interest or of principal and interest overdue.

In calculating interest under this rule, a broken period of a month shall be taken as half a month or one month according as it is less or not less than 15 days and a fraction of a rupee as half a rupee or one rupee according as it is less or not less than 8 annas.

Suspension of repayment.

IX. The repayment of the annual instalment may be suspended by the Deputy Commissioner on proof of failure of the crops of the borrower or other exceptional calamity. The Deputy Commissioner shall report all such cases to Government, who will pass such orders thereon as they may deem proper.

The suspended instalment shall be collected in the year following the termination of the period of suspension, with the instalment, if any, payable for that year, and in no case shall the maximum period fixed for the repayment of instalments be exceeded. Simple interest at 5 per cent. per annum shall be charged on all suspended instalments of principal and interest up to the date of collection.

Security.

X. No loan shall be granted unless the value of the security offered exceeds by at least one-half the amount of the loan applied for.

The security to be required shall consist of the applicant's saleable interest in lands held by him.

Provided that if the value of such interest does not exceed by one-half the amount of the loan applied for, collateral security shall be required and such collateral security

shall [illegible] of immovable property, unless the loan is repayable within two years or has bee[illegible] granted for the relief of distress, in which case personal security may be accepted.

Loans repayable within two years and not exceeding Rs. 100, in amount may also be granted on the personal security of the applicant or the joint personal security of the applicant and one or more other persons, provided that the annual assessment of the land belonging to the applicant or of the land belonging to him and to his co-sureties is not less than one-fifth of the amount of the loan applied for.

XI. If at any time the Deputy Commissioner, or other officer granting the loan, is satisfied that any person who has received a loan has failed to perform any of the conditions on which it was made, he may, after recording in writing the grounds for his decision, proceed to recover forthwith from such person or from any surety of such person the entire unpaid balance of the loan, together with any interest payable thereon and costs, as arrears of land revenue.

Provided that such officer may at his discretion so recover any sum less than the whole balance of the loan without prejudice to his right to recover the remainder of such balance at any subsequent time.

Mode of application.

XII. An application for a loan may be made, orally or in writing, to any Revenue officer of a grade not lower than that of Deputy Amildar. If written, it shall be in Form No. 1 hereto annexed (printed copies of which can be obtained at all Taluk Cutcherries and from Shanbhogs free of cost), or in some similar form, and may be presented in person or sent by post. If an oral application is made, the officer to whom it is preferred shall cause it to be recorded in the prescribed form and signed by the applicant.

Local enquiry to be made in all cases.

XIII. No loan shall be granted without a local enquiry. On receipt of an application, or on an application being referred to him, a Deputy Amildar or Amildar or higher officer shall notify and publish in the village by tom-tom that he intends to hold the enquiry, and shall as soon as possible thereafter make summary enquiry in the village as to the correctness of the entries in the application, submitting a report or recording the results of his enquiry in Form No. 5 hereto annexed or in some similar form. When the amount applied for exceeds Rs. 200, the local enquiry shall be conducted by an officer of not lower rank than that of Assistant Commissioner.

XIV. The personal attendance of the applicant is not necessary, but he may be required, by notice in Form No. 3 hereto annexed or in some similar form, at any time to appear, in person or by duly authorized agent at his option, and in case of default the application may be rejected.

XV. Attention shall be particularly directed to ascertaining the *bona fides* and the solvency of the applicant and the sufficiency of the security offered. Careful enquiry shall be made regarding the rights of the applicant in the lands offered as security, in view to ensuring that the applicant is the real owner, and that the land is free from encumbrances or is not burdened with arrears of land revenue or is not already hypothecated to Government for a loan previously obtained. Similar enquiry shall be made in the case of lands offered by sureties as collateral security, care being taken to see that the surety is not only the registered holder, but the real owner of the land, and that, if he has a divided interest in the land, it is not charged beyond the extent of his own individual interest therein except with the written consent of the joint-owners. A reference shall invariably be made to the Registration Department, in Form No. 6 hereto annexed or in some similar form, for an encumbrance certificate in respect of all immovable property offered by the applicant or his sureties whether as primary or as collateral security.

Issue of loan order.

XVI. If, after local enquiry and such further investigation as may be deemed necessary, the Deputy Commissioner, or other officer granting the loan, is satisfied that the loan may be granted, he shall record a decision to the effect that the loan asked for, or a less sum, may be given and shall then at once issue an order granting the loan. In the case of loans exceeding Rs. 500 the loan order will be issued by the Deputy Commissioner after obtaining the sanction of the Government, under Rule II.

XVII. An order granting a loan shall be in Form No. 7 hereto annexed, and shall be signed by the applicant in token that he understands and agrees to the conditions contained therein. The security bond to be taken when collateral security is offered shall be in one or other of Forms Nos. 8 and 9 hereto annexed, or in some similar form.

An order rejecting an application for a loan shall be intimated to the applicant by a notice in Form No. 4 hereto annexed or in some similar form.

Disbursement of loans.

XVIII. Loans shall ordinarily be advanced in two instalments. Loans for the relief of distress shall be disbursed monthly or once every two months.

Inspection of works.

XIX. The Deputy Commissioner of the district may make provision for the proper inspection of works in course of construction for which loans have been made, and for ascertaining and securing that such loans are duly applied to the purpose for which they are made.

All works for which loans are made by instalments shall be inspected and reported upon before each instalment subsequent to the first is paid.

All works shall be inspected and reported on as soon as possible after the date fixed for their completion in the order granting the loan.

If it should then be found that the work has not been carried out in substantial conformity with the proposals made, the officer granting the loan may either require immediate repayment of the whole amount advanced with interest at 5 per cent. and costs, if any, or alter the instalment, fixed under Rule V, so as to ensure repayment of the loan within the period for which the work is likely to last. In such case the original loan order shall be cancelled and a fresh loan order issued.

XX. Every Amildar shall keep a register of loans and repayments relating to his taluk in Form No. 2 hereto annexed and such other accounts and statements as may, from time to time, be prescribed by Government.

H. V. NANJUNDAYYA,
Secretary to Govt., Genl. & Rev. Depts.

FORMS.

No. 1—Form of Application for Loans under Section 194 of the Mysore Land Revenue Code, 1888.

1. Name, father's name and residence of applicant.
2. Amount of loan required.
3. Object for which the loan is required.

Security offered							Name of the person who agrees to offer the land as security and the nature of his right in it, as well as the encumbrances, or other charges, if any, on it	Whether any arrears are due on land offered as security	Proposed time of repayment	Remarks
If personal	If land				Other immovable property					
Name, father's name and residence of the surety	Survey number	Extent	Assessment	In whose name registered	Extent	Description				
1	2	3	4	5	6	7	8	9	10	11

Note.—1. Full information as to the right of the party who consents to give the lands as security, should be entered in column 8.

2. In column 10 should be entered the number of years from the date of payment of the loan within which the applicant proposes to repay the loan. This will not prevent his discharging the loan sooner if he choses.

3. The State will grant loans of money to holders of land for the purchase of seed-grain or ploughing cattle, re-building houses destroyed by fire or flood, for other agricultural objects such as purchase of fodder for domestic and agricultural cattle, erection of sugar-cane mills

indigo vats and such like appliances for dealing with raw agricultural produce, erection of double mhotes or other contrivances for raising water, and for the relief of distress, when the existence of such distress has been recognised by the Government, to enable holders of land and their dependants to subsist until the ripening of next harvest.

4. Loans under Section 194 of the Land Revenue Code are subject to a maximum of Rs. 200 for loans granted for the relief of distress; of Rs. 500 for loans for the purchase of seed-grain or ploughing cattle and for rebuilding houses destroyed by fire or flood; and of Rs. 1,000 for loans for other agricultural objects. There is, however, no minimum limit.

5. Application for a loan may be presented or sent by post or otherwise to any Revenue officer of a grade not lower than Deputy Amildar. It may also be made orally. The application will be free of stamp duty.

6. The rate of interest charged shall be 5 per cent. per annum, except on loans granted for the relief of distress, which shall be charged interest at 3 per cent., the Deputy Commissioner being granted discretion to remit the charge in the case of borrowers who are known to be poor.

7. The loan may be discharged by annual instalments regulated so as to repay both principal and interest within the time allowed.

8. Time allowed for repayment will be liable to be shortened if the work on completion be found not sufficiently durable.

9. If the grantee of the loan misappropriates the whole or any portion of the loan or otherwise fails in any of the conditions of the grant, the whole unpaid balance of the loan with interest and costs will be liable to summary recovery.

No. 2.

Register of Applications for Loans under Section 194 of the Land Revenue Code, 1888. Taluk of District of for the revenue year.—

Serial number of application	Date of receipt of application in the taluk	If application is received through other officers		Name, father's name and residence of applicant	ame of llage in vi ich the loan is to be utilized	Amount of loan required
		Officer from whom received	Number and date of reference			
1	2	3	4	5	6	7

Purposes for which required	References			Whether loan sanctioned or refused (if refused, brief reasons for refusal), number and date of disposal	Amount sanctioned, number and date of loan order as per register of repayments	Remarks
	To whom	Date of reference	Date of receipt of reply			
8	9	10	11	12	13	14

Index to Application Register.

Note.—Cases disposed of should be denoted by enclosing the number by a circle thus : (19)

No.	Name of village in alphabetical order	Number of cases in the Application Register	Total in each village
1	2	3	4

No. 3.

Notice to Applicant under Section 194 of the Mysore Land Revenue Code, 1888.

To son of residing at hamlet of village

Whereas you are required to appear personally or by agent to give the following information regarding your application for a loan of Rs. (*here enter particulars*) *or* to execute the necessary documents and receive payment of the loan applied for, you should appear before the on date at

If you fail to appear, your application will be rejected

Camp Signature and designation of officer issuing the notice.

Date.

Note.—This notice is to be sent in duplicate ; one copy is to be delivered to the applicant or to some adult male member of his family at his usual place of abode or to his authorised agent, and the other is to be returned to the officer issuing the notice with the signature of the applicant or his agent. If service cannot be made, the notice must be returned with a note to this effect, giving the reasons for failure. Wherever convenient, this notice may also be sent to the party by post.

No. 4.

Section 194 of the Mysore Land Revenue Code, 1888.

Notice to Applicant intimating the rejection of his application.

Application No. of on the file of the Amildar of Taluk District.

(*Name*) of village is hereby informed that his application for a loan of Rs. under Section 194 of the Mysore Land Revenue Code, 1888, has been rejected for

(*State here briefly the grounds of rejection.*)

Vide this office order, dated on application No.

Station

Date

Amildar.

Note.—This notice should be prepared in duplicate and one copy delivered to the party, or if he should not be found, it should be left for him with some adult male member of his family residing with him or with the headman of the village in which he lives. The other copy should be returned to the Amildar with the certificate under the hand of the server as to the mode in which the service was effected. Wherever convenient, this notice may also be sent to the party by post.

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No. 5.

Report or record of local enquiry.

Under Section 194 of the Mysore Land Revenue Code, 1888.

1. Serial number of application.
2. (i) Name and village of applicant.
   (ii) Amount of loan applied for.
3. Purpose for which loan is sought.
4. Is the application *bona fide* and is the applicant solvent ?
5. Is he in arrears to Government for land revenue or for any instalment of a loan previously obtained ?
6. Security.
   (*a*) If personal,
      (i) Names, status and solvency of sureties.
      (ii) Amount agreed to be secured.
   (*b*) If lands,
      (i) Survey number, description, extent and assessment of the land and the estimated present value of the applicant's or the surety's interest with grounds for the valuation.
      (ii) Whether the lands are registered in the name of the applicant or the surety and whether they are in his possession and free from encumbrances, and the nature and extent of their interest in the land.
      (iii) If the land is already encumbered, who are the mortgagees and what are the amounts ? Does the excess of the value of the land over the amount of encumbrances cover the amount of advances to be made ?
   (*c*) If property other than land,
      Its description, situation and value with portions of building, well, trees, &c., the nature and extent of pre-existing encumbrances if any.

Note.—Distinction should be made between land offered as security belonging to the applicant and that belonging to the sureties in case where sureties offer collateral security.

7. Recommendations of inspecting officer and the amount of loan recommended.

Result of verification, if any, of the lands offered as security in the Registration and Revenue offices of the taluk.

Decision of the officer competent to sanction the loan.

Signature.

No. 5.

SECTION 194 OF THE MYSORE LAND REVENUE CODE, 1888.

Loan Application.

No.....

Village..... .....

From

To

No.

Dated,

Submitting report of enquiry.

No. 6.

Reference to Registration Department for Encumbrance Certificate.

No. ..... Dated.....

To

The Sub-Registrar of.. .....

Name of applicant.

Amount of loan required.

Particulars of land * for which encumbrance certificate is required.

Remarks .....

Signature

* If other immoveable property, it should be suitably described.

No. 6.

Reference to Registration Department for Encumbrance Certificate.

No ....Office dated .....

From

The .....

To

The Sub-Registrar of .....

Sir,

As the undermentioned person has applied for a loan of Rs. ..... from Government under Section 194 of the Mysore Land Revenue Code, I have the honor to request you to be good enough to cause the necessary search to be made for encumbrances on the lands* noted below and to furnish me with an encumbrance certificate at an early date.

Name of village.	Wet or dry.	Survey number.	Extent.		Assessment.			Name of village.	Name of applicant.	Particulars of land offered as security.				Remarks.
			Acs.	G.	Rs.	a.	p.			Wet or dry.	Survey number.	Extent.		
												Acs.	G.	

I have the honor to be,
Sir,
Your most obedient servant,

Signature

* If other immoveable property, it should be suitably described.

No. 6.

From

The .....

.....

To

The Sub-Registrar of

Dated,

No.

Subject.

Requesting encumbrance certificate for the lands mentioned within.

No. 7.

Order granting a Loan under Section 194 of the Mysore L. R. Code, 1888.

No. of

1. The sum of Rs.....is granted to..... caste ..... calling ....., son of....., residing at..... .....as a loan under Section 194 of the Mysore Land Revenue Code, 1888, for the purpose of*.....subject to the following conditions:—

2. The conditions referred to are as follows:—

(*a*) That the amount of this loan shall be paid to the aforesaid (*name of the borrower*) in instalments on the execution of the necessary security bonds, the first on the production of this order at (*here enter place at which this order is to be presented for payment*), and the second on proof that the first instalment has been properly utilised.

(*b*) (i). That if the first instalment has not been utilised within the period of (*here enter period allowed for the first instalment*); or

(ii). If it shall be proved to the satisfaction of the Deputy Commissioner that any portion of the loan has been misapplied to any other purpose than that above specified or that the whole amount of the loan has not been fully applied to the purpose for which it was granted within the period of (*here enter period allowed for utilization of full amount of the loan*);

the whole unpaid balance of the loan or such portion of it as the Deputy Commissioner may determine with interest at 6¼ per cent and costs, if any, shall be deemed to at once become due.

(iii). If, however, the work should fail altogether owing to causes over which the borrower has no control, the case shall be reported for the orders of Government as to whether repayment in whole or in part shall be required.

(c) (i). That the loan **with interest thereon at † per cent shall be repaid by equal annual instalments of Rs. each, falling due with khist of the revenue year, commencing with 190 —190 and ending with (Simple interest on the amount advanced must be paid on such khist date in and .) ‡ . It shall be open to the Deputy Commissioner or the officer granting the loan to reduce the number of instalments and to increase the amount of the annual payment so as to recover the loan within a shorter period than herein allowed if he finds the work after completion not sufficiently durable to last for the period originally mentioned in the loan order.

(ii). Such annual payment shall be made to the village officers or to the Amildar.

(iii). If default in the payment of annual instalment on account of the loan occurs and recovery cannot otherwise be made, the entire unpaid balance of the loan or such portion of it as the Deputy Commissioner may determine shall be deemed to at once become due and the whole of the land specified under condition (*d*) or such portion of it as the Deputy Commissioner may deem necessary, shall be sold for the recovery of the amount, with interest thereon and expenses of sale, if any.

(*d*) $ That for the repayment of the loan with interest and costs, if any, due on the same, the immoveable property specified below is hypothecated as collateral security to Government.

Signature and designation of officer granting the loan.

I have understood and agreed to the aforesaid terms and conditions

Signature of borrower

---

* Here describe in detail the purpose of the loan.

** To be omitted when the loan is granted free of interest.

† Here enter the rate of interest, which is ordinarily 3 per cent. in the case of loans granted for the relief of distress and 5 per cent. in all other cases.

‡ To be used when commencement of repayment is postponed for more than 12 months under Rule VI.

$ Note.—All immoveable property hypothecated as collateral security, whether by the borrower himself or by a surety or sureties, should be specified in the margin of this clause (*d*) of the order granting the loan, and should be described, as nearly as may be, in the manner prescribed in Section 21 of the Registration Act, 1877.

If the loan is granted for the relief of distress, substitute in condition (*a*) after the words "bonds" "monthly or once every two months" and omit the words "the first" and the words "and the second" to the end of the clause.

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(*Reverse.*)

Recoveries.

Sum to be repaid.		Distribution of the fixed instalment between interest and principal.		Sum repaid.			Balance due.		Initials of the Amildar.	Remarks.
					Credited to—					
Revenue year.	Amount.	Interest at the date of loan to date of 1st instalment and in subsequent years for one year, on the amount shown in column 2.	Principal	Amount paid in the year.	Interest.	Principal	Instalment (*i. e.*, columns 3 and 4 *minus* column 5).	Principal (*i. e.*, difference of column 2 and column 7).		
1	2	3	4	5	6	7	8	9	10	11
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a p	Rs. a. p		

No. 8.—Section 194 of the Mysore Land Revenue Code, 1888.

Security bond to be used when immoveable property is mortgaged as security.

Whereas..... $\frac{\text{have}}{\text{has}}$ received from the of..... an order under Section 194 of the Mysore Land Revenue Code, 1888, in virtue of which $\frac{\text{I am}}{\text{he is}}$ entitled to receive the aggregate sum of Rs. .....as a loan from the Government for the purpose of (*here state the object of the loan*); and whereas security for the due application of the loan and for the punctual repayment of the same according to the terms of the order is demanded from $\frac{\text{me}}{\text{him}}$ ..... $\frac{\text{I}}{\text{we}}$ the said ..... mortgage to Government the immoveable property mentioned in the schedule below as security, and agree that if $\frac{\text{I fail}}{\text{he fails}}$ to comply with the terms on which the loan has been granted either by misapplying the same or by failing to repay any instalment of the said loan, or any interest chargeable thereon, or costs, if any, incurred in the making thereof, on the date on which it may become due, it shall be lawful for the Deputy Commissioner to recover from the said property such sum as may be necessary to make good the amount which, in consequence of $\frac{\text{my}}{\text{his}}$ default, may be due from me (or him).

Note.—Particulars of caste, calling, father's name and residence of borrower should invariably be noted in the margin of the bond, and similar particulars should invariably be added to the signature of the surety signing the bond.

Schedule.

Registration district.	Registration sub-district	Village.	If the property is house property.				If cultivable land.			
			Boundaries of the property.	Description and value of buildings and how long likely to last.	Extent of building site and of vacant ground or compound.	Trees, wells, &c.	Survey Number	Wet or dry.	Extent.	Assessment.
1	2	3	4	5	6	7	8	9	10	11
										Rs. a. p.

Witness Signature of borrower

surety

(1) son of village of

(2) son of village of

No. 9.—Section 194 of the Mysore Land Revenue Code, 1888.

Security bond to be used when personal security is taken.

Whereas of caste calling son of residing at has on received from the of an order under Section 194 of the Mysore Land Revenue Code, 1888, in virtue of which he is entitled to receive the aggregate sum of Rs. as a loan from the Government for (*here state the object of the loan*), I (name) (caste) (calling) son of residing at do hereby agree that if the said shall fail to comply with the terms on which the loan has been granted either by misapplying the same or failing to repay any instalment of the said loan on or before the date on which it may become due, I shall be liable to Government for such sum not exceeding the aggregate sum of Rs. as may be necessary to make good the amount which, in consequence of his default, he may have become liable to pay.

(Signature of surety.)